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## Farm Outlook

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# FARM OUTLOOK

## SOYBEANS . . .

For the next few months, the volume of beans remaining under price support loan will be a major price influence. A substantial amount of beans presently under loan may have to be redeemed by the end of summer. For this to happen, prices into summer probably will need to be relatively steady to a few cents above recent levels.

Fall and early winter prices will depend on 1968 crop size. Acreage this year is expected to continue its long-term upward trend, according to USDA's March planting intentions survey. Producers indicated they will seed a record 41.8 million acres to soybeans -- 2.7 percent more than in 1967. This acreage should provide more than adequate supplies for next year.

If these planting intentions are carried out, and allowing for normal abandonment, about 40.7 million acres would be harvested for beans. A national average yield of 24.5 bushels per acre (the same as last year) would produce approximately a billion-bushel crop. On the other hand, an average yield of 25.4 bushels per acre (the same as in 1966) would produce a crop of 1,034 million bushels -- 6.3 percent more than in 1966.

Either of these production levels appear to be well above next year's requirements, and would bring a large increase in the September 1969 carryover. Unless growing conditions are well below average, prices this fall probably will encourage the excess production to move under price support loan. Prices during the harvest season may be as low as in 1967, when Central Iowa prices dropped to about \$2.40 per bushel. And prices could be a little lower.

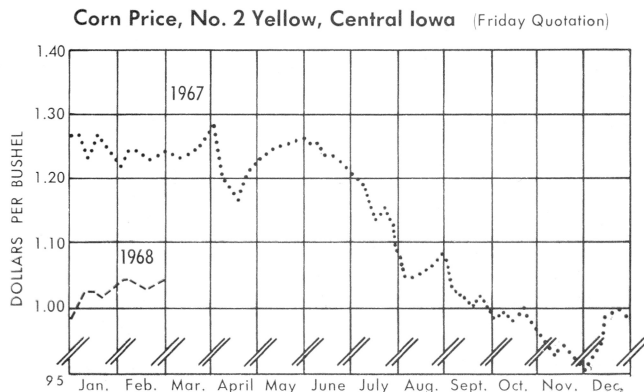
## CORN . . .

Corn acreage this year is expected to

be moderately below 1967 -- that's the indication from USDA's March planting intentions survey. Farmers said they planned to plant 64.9 million acres, about 8 percent less than last year. With the normal difference between planted and harvested acreage and an average yield of 78.2 bushels per acre (the same as last year), this would produce about a 4.33 billion bushel crop. However, if yields increase in line with recent trends, the crop would total about 4.43 billion bushels -- down 6 percent from last year. In either case, this would be the second largest crop on record.

If these planting intentions are carried out, corn prices next fall and early winter may show slight improvement over a year earlier. The amount of improvement will depend considerably on average yields both in the U.S. and foreign grain producing areas.

Price trends through summer will depend on utilization, weather conditions and the amount of corn remaining under price support loan. USDA's report of April 1 stocks in all positions (not available at this writing) indicates how much corn has been used since October. It also estimates the amount remaining for use during the April-September period. This information could influence price trends during the next few months. April 1 stocks of corn on farms were estimated at 2,362 million bushels -- about 318 million bushels more than a year ago.



## HOGS . . .

Hog slaughter under federal inspection during the January-March quarter was 1 percent below a year earlier. This was close to the level indicated by USDA estimates of June-August farrowings and Dec. 1 hog inventories.

Slaughter from mid-March to mid-April, however, was nearly 4 percent above the 1967 level. Marketings are expected to continue above last year during May and June, with summer volume about the same or up slightly from a year earlier.

The USDA's March pig crop report for 10 Corn Belt states indicated hog production is headed lower this year. March-May plans in the 10 states indicate a 3 percent decline in farrowings from last year. Early farrowing intentions for the June-August period were also estimated to be down 3 percent. If these farrowing plans are carried out, and other hog states show a similar change, hog marketings during the October-December quarter will be moderately smaller than in 1967. Volume would continue below the previous year during the first quarter of 1969.

In early April, U.S. No. 1 and 2, 200 to 220-lb. butchers sold in Iowa at \$18.75-\$19.25. This was \$1.50 to \$2 higher than a year earlier. The seasonal decline in hog marketings should bring moderate price gains during the late spring and early summer. Interior prices are expected to rise to \$21-\$22 by early July.

Seasonal increases in supplies will force prices lower in the late summer

and fall. If present supply indications materialize, Interior prices during October-December of this year should average 50 cents to \$1 higher than in 1967 — when the average price was around \$17.45 per cwt.

## CATTLE . . .

Fed cattle prices in early April were about \$2.50 per cwt. higher than a year earlier. Choice slaughter steers at Chicago averaged near \$27.75 and Interior Iowa prices for Choice steers ranged from \$25.75 to \$27.

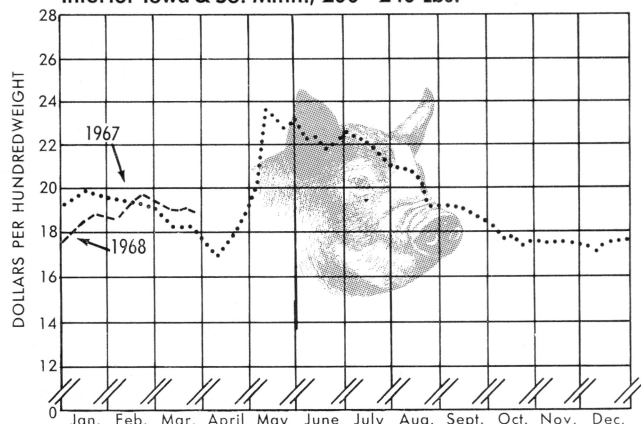
Fed cattle marketings are expected to be a little above 1967 levels during the late spring and summer. And volume may be somewhat larger than in recent months. If this forecast is correct, prices will probably weaken some from early April levels. The decline should be limited to around a \$1 or so — if market weights continue relatively light. This would leave average prices for Choice steers in Chicago around \$26.25 to \$27, \$1.50 to \$2 above May-June of last year.

The April 1 cattle on feed report (released April 17 but not available at this writing) will provide a later indication of future supply-price prospects.

Feeder cattle prices rose around \$2 per cwt. during January-March. By early April, prices on steer yearlings and calves were around \$2 to \$2.50 higher than a year ago. Prices may weaken a little this spring, along with fed cattle. But large price changes aren't expected during the next few months.

—Robert N. Wisner and Gene Futrell

Weekly Average Price of Barrows and Gilts,  
Interior Iowa & So. Minn., 200 - 240 Lbs.



Weekly Average Prices of Choice Slaughter Steers  
at Chicago - 900 - 1,100 Lbs.

